

ST. BERNARD PARISH CLERK OF COURT
CHALMETTE, LOUISIANA

ANNUAL FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2010

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 1/12/11

**St. Bernard Parish Clerk of Court
Chalmette, Louisiana**

Annual Financial Statements
Year Ended June 30, 2010

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St. Bernard Parish Clerk of Court Chalmette, Louisiana

Management's Discussion and Analysis
Year Ended June 30, 2010

Our discussion and analysis of the St. Bernard Parish Clerk of Court's financial performance provides an overview of the financial activities as of and for the fiscal year ended June 30, 2010. Please read these comments in conjunction with the basic financial statements and the accompanying notes to the financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

Our auditor has provided assurance in his independent auditor's report that the basic financial statements are fairly stated in all material respects. A user of this report should read the Independent Auditor's Report carefully to ascertain the level of assurance being provided on these reports.

Government Wide Financial Statements

This annual report consists of a series of financial statements. The Statement of Net Assets reflects the financial position of the Clerk's office. The unrestricted fund balance for the General Fund as reflected in this statement consists of funds available for future spending to meet the needs of the Clerk's office.

The Statement of Activities reflects the changes in net assets. Net assets, the difference between assets and liabilities, is one measure of the financial health or financial position of an entity. Over time, increases or decreases in net assets are one indicator of whether financial health is improving or deteriorating.

Fund Financial Statements

The Clerk of Court manages monies and maintains accounting records for several distinct and separate funds. The segregation of activity is based on the source of the monies and their designated purposes. Some funds are established as mandated by State law.

The Clerk of Court maintains governmental funds for basic office operations. Governmental funds focus on how money flows into and out of the operating accounts and reflects the year-end balances available for spending. These funds are reported under the modified accrual accounting method which measures cash and all other financial assets that can readily be converted to cash.

The Governmental Fund Statements provide a detailed short-term view of the general government operations and the basic services provided. Governmental fund information helps to determine whether there are more or fewer financial resources available in the near future to finance the Clerk of Court's programs.

The Governmental Fund – General Fund Statement of Revenues, Expenditures and Changes in Fund Balance provides information about the Clerk's activities as a whole and presents a view of the current year operations of the office. Substantially all of the current year's program revenues and expenses are taken into account regardless of when cash is received or paid.

In analyzing these reports, one of the more important considerations is the financial outcome of the current year operations. The current year activity is reflected in this statement and provides the data necessary to address this concern.

**St. Bernard Parish Clerk of Court
Chalmette, Louisiana**

Management's Discussion and Analysis
Year Ended June 30, 2010

OVERVIEW OF THE FINANCIAL STATEMENTS
(Continued)

The Clerk of Court is the trustee, or fiduciary, for funds reserved by the Court and for Advance Costs collected in payment for court expenses. All of these fiduciary activities are reported separately. These activities are excluded from the General Fund Statements of activity because the Clerk of Court cannot access these funds to finance the operations of the office. The Clerk of Court is responsible for safeguarding these assets and ensuring that these funds are used for their intended purposes.

FINANCIAL HIGHLIGHTS

The financial statements provide details of the current year operations summarized as follows:

- Net assets of governmental activities decreased by \$121,032 which was approximately 86% less than the prior year's decrease.
- During the year, the Clerk had expenses of \$3,017,461 that were \$121,032 more than the \$2,896,429 generated in fees and other revenues for governmental programs.
- Net Assets at year-end totals \$1,444,602, a decrease of \$121,032 over the prior year balance of \$1,565,634.

The Statement of Net Assets and the Statement of Activities report only one type of activity – governmental activities. All basic governmental services are reported as this type. Fees and court costs charged to the public generally finance most of these activities. However, in the current year, \$832,540 in grant funds were received from FEMA for reimbursement of expenses incurred due to Hurricane Katrina. Although the expenditures for which these reimbursements were received had been incurred in prior fiscal years and were initially funded by the Clerk when incurred, the reimbursement process has only been completed in the current fiscal year.

**St. Bernard Parish Clerk of Court
Chalmette, Louisiana**

Management's Discussion and Analysis
Year Ended June 30, 2010

FINANCIAL HIGHLIGHTS
(Continued)

Our Analysis below focuses on the net assets of the governmental-type activities:

Condensed Statement of Net Assets				
	2010	2009	Dollar Change	Total % Change
Current and Other Assets	\$ 1,411,062	\$ 1,284,554	\$ 126,508	9.85%
Capital Assets	240,212	352,576	(112,364)	-31.87%
Total Assets	1,651,274	1,637,130	14,144	-22.02%
Total Liabilities	206,672	71,496	135,176	189.07%
Investment in capital assets	240,212	352,576	(112,364)	-31.87%
Unrestricted	\$ 1,204,390	\$ 1,213,058	(8,668)	-0.71%
Total Net Assets	\$ 1,444,602	\$ 1,565,634	\$ (121,032)	-7.73%

Condensed Statement of Activities				
	2010	2009	Dollar Change	Total % Change
Total program expenses	\$ 3,017,481	\$ 3,080,732	\$ (43,271)	-1.41%
Total program revenues	1,994,826	2,074,506	(79,680)	-3.84%
Excess expenses	(1,022,635)	(986,226)	(36,409)	3.69%
General revenues	901,603	71,760	829,843	1156.42%
Change in Net Assets	(121,032)	(914,466)	793,434	-86.76%
Net Assets:				
Beginning of Year	1,565,634	2,480,100	(914,466)	-36.87%
End of Year	\$ 1,444,602	\$ 1,565,634	\$ (121,032)	-7.73%

ST. BERNARD PARISH CLERK OF COURT AS A WHOLE

The Clerk of Court's net assets decreased by \$121,032 as a result of this year's operations. The overall financial position declined during the fiscal year ended June 30, 2010.

Unrestricted net assets, the assets used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal obligations, generated most of the operating revenue this year. The balance in net assets represents the accumulated results of all past years' operations.

**St. Bernard Parish Clerk of Court
Chalmette, Louisiana**

Management's Discussion and Analysis
Year Ended June 30, 2010

ST. BERNARD PARISH CLERK OF COURT AS A WHOLE
(Continued)

It means that if we had to meet all of our obligations today, including all non-capital liabilities, we would have \$1,204,390 left. The Clerk of Court's total revenues for the year in governmental activities were \$2,896,429 (\$1,994,826 in charges for services, \$832,540 in grant funds, and \$69,063 in general revenues). The total cost of all judicial programs and services was \$3,017,461 with no new programs added this year.

FINANCIAL ANALYSIS OF INDIVIDUAL FUNDS

As noted earlier, the Clerk uses funds to control and manage money for particular purposes. Analyzing these funds helps to determine whether the Clerk is using her resources in a responsible manner and maintaining the financial integrity of the office.

At the year ended June 30, 2010, the governmental fund reported an unrestricted fund balance of \$1,204,390, a decrease of \$8,667 over last year. The reduction in the amount of the current year's decrease as compared to last year's is largely attributed to the FEMA funds received in the current year. At present there are still FEMA funds available to acquire additional office furnishings and equipment as well as to reimburse items not previously eligible for reimbursement. It is expected that FEMA funds will continue to be received for at least the next two years or until the office of The Clerk of Court is moved back to its permanent Courthouse location. While the fees generated by the operations of the office are not expected to increase materially in the near future, the expected future FEMA funding, coupled with the surplus at June 30, 2010 and conservative spending practices, should be sufficient to fund the operations of the office in the coming fiscal year.

GENERAL FUNDS BUDGETARY HIGHLIGHTS

The original budget for the General Funds was initially amended February 28, 2010. A second amended budget was prepared April 30, 2010 due to the material change in revenues as FEMA funds were received. A summary of the changes follows:

**St. Bernard Parish Clerk of Court
Chalmette, Louisiana**

Management's Discussion and Analysis
Year Ended June 30, 2010

GENERAL FUNDS BUDGETARY HIGHLIGHTS
(Continued)

	Summary of Budget Changes			
	Original	Amended	Increase	
	Budget	Budget	(Decrease)	%
		4/30/2010		
Revenues:				
Program Revenues	\$ 1,882,500	\$ 1,954,700	\$ 72,200	3.78 %
Non-Program Revenues	30,000	696,000	666,000	34.82 %
Total Revenues	1,912,500	2,650,700	738,200	38.60 %
Expenditures				
Salaries	1,525,000	1,500,000	(25,000)	-0.95 %
Employee Benefits	742,300	734,000	(8,300)	-0.32 %
Office Expense	308,000	340,000	32,000	1.22 %
Auto/Travel	4,000	4,500	500	0.02 %
Clerks Supplemental Compensation	4,500	9,000	4,500	0.17 %
Permanent Records	12,000	70,000	58,000	2.21 %
Capital Outlay	30,000	6,000	(24,000)	-0.91 %
Katrina Recovery	-	-	-	0.00 %
Total Expenditures	2,625,800	2,663,500	37,700	1.44 %
Excess of Revenue over Expenditures	(713,300)	(12,800)	700,500	
Beginning Fund Balance	1,091,100	1,127,854	36,754	
Ending Fund Balance	\$ 377,800	\$ 1,115,054	\$ 737,254	\$ -

The original budget for the year ended June 30, 2010 was based on the reduced revenue trend resulting from Hurricane Katrina. When projecting the revenues for the operation of the office, the Clerk is conservative in her forecast. The actual fees earned were more than the conservative forecast.

The major factor to affect the change in the forecast, however, involves grant funds. Although reimbursement requests had been submitted to FEMA for expenses incurred in the storm at the time the original budget was prepared, if or when FEMA would remit funds to the Clerk of Court was unknown. Therefore, no FEMA grant revenue was included in the original budget.

The FEMA funds for the State of Louisiana are administered through the Governor's Office of Homeland Security and Emergency Preparedness (GOHSEP). GOHSEP began releasing funds to the St. Bernard Parish Clerk of Court in February 2010 and continued to do so through the end of the fiscal year. The resulting increase in Grant Revenue is the major item affecting both revenues and the overall budget projections for the year. FEMA grants totaled \$832,540 in the current year.

**St. Bernard Parish Clerk of Court
Chalmette, Louisiana**

Management's Discussion and Analysis
Year Ended June 30, 2010

GENERAL FUNDS BUDGETARY HIGHLIGHTS
(Continued)

There were a few significant differences in expense forecasting as well. The original budget was prepared allowing for the hiring of an additional employee. No new hire was necessary, resulting in over-budgeting of both Salary and Benefit expenditures

Office Expense was impacted by the temporary relocation of the Clerk's office to the three-story office building on West Judge Perez Drive in Chalmette. There were many incidental costs associated with the move that the Parish did not absorb. As of April, 2010, the addition to Office Expense resulting from the relocation totaled approximately \$3,500. The remaining variance can only be attributable to increased costs.

The most significant expense variance is that of Permanent Records. At the end of the prior fiscal year, after the original budget was prepared, The Windward Group (TWG) discovered Index Books in their possession that had not been scanned, printed and bound as was contracted. TWG immediately began the process of completing this work with costs of \$40,800 incurred in the current fiscal year.

With every budget projection, the Clerk allows for acquisition of new equipment that might be needed as well as replacement of broken and obsolete assets. These costs did not materialize and the budget was reduced when the amended budget was prepared.

CAPITAL ASSETS

Capital Assets include furniture and fixtures, office equipment and vehicles at a historical cost of \$771,699. Capital Assets, net of accumulated depreciation, for governmental activities as of June 30, 2010 was \$240,212.

There were \$14,165 of additions to Capital Assets and no deletions in the current year. Depreciation expense was recorded at \$126,529. A Summary of Activity for Fixed Assets is presented in the notes to the financial statements.

LONG-TERM LIABILITIES

The long-term liabilities amount reflects the net other post-employment benefit obligation required to be recorded in the financial statements at June 30, 2010 and amounted to \$134,178 at that date.

COMMITMENTS

Commitments represent a separate contract with Cott Systems to provide future services as follows with the total of the contract amounting to \$36,660 at June 30, 2010:

The balance due to Cott Systems for eCommerce services totals \$36,600 with payments of \$1,222 due monthly.

**St. Bernard Parish Clerk of Court
Chalmette, Louisiana**

*Management's Discussion and Analysis
Year Ended June 30, 2010*

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Clerk must consider many variables when budgeting for the coming fiscal year. Included in these factors are changing laws and regulations, economic circumstances and historical trends.

A summary of the current budget for the year ending June 30, 2011 follows:

Condensed Summary of Budgeted Finances	
	<u>Y/E 6/30/2011</u>
Anticipated Revenue	\$ 1,789,500
Expenditures:	
Current	2,619,900
Permanent Records	25,000
Capital Outlay	<u>20,000</u>
	<u>2,664,900</u>
Excess (Deficit) of Revenues over Expenditures	(875,400)
Beginning Fund Balance	<u>1,140,970</u>
Ending Fund Balance	<u>\$ 265,570</u>

Due to the uncertainty of the parish's further recovery, anticipated Revenues are recorded at a conservative level.

It appears that the decline in operating revenues has leveled off and should, therefore, be more accurately reflected in the budget than they have been over the past few years. Although FEMA may allow for additional treatment to the records damaged in Hurricane Katrina, no such funds have been budgeted. As of this time, there has been no final determination made by FEMA.

Factors affecting projected expenditures are:

Employee Benefit Cost Increase

While salaries are expected to be consistent, or even decrease as employees retire or leave for other positions, the cost of Benefits is not expected to decrease due to the continued incline in benefit costs. The employer's portion of the pension contribution increased from 14.75% to 17.75% effective July 1, 2010.

The Group Insurance contracts are negotiated with the Clerk's Association on an annual basis. Although any change in rates was unknown at the time the budget was prepared, a moderate allowance has been made for premium increases.

**St. Bernard Parish Clerk of Court
Chalmette, Louisiana**

Management's Discussion and Analysis
Year Ended June 30, 2010

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

(Continued)

Permanent Records Decrease

The cost to reproduce the Index Books damaged in Katrina was completed in the year ended June 30, 2010. There is no allowance in the budget forecast for any further records reproduction.

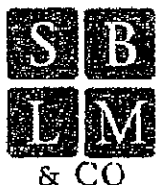
Capital Outlay Decrease

No equipment purchases were anticipated at the time the budget was prepared. However, a moderate sum was budgeted in the event a need arises.

CONTACTING FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the finances of the St. Bernard Clerk of Court and to show the accountability for all funds managed by this office. If you have questions about this report or need additional financial information, contact:

Honorable Lena R. Torres
St. Bernard Parish Clerk of Court
P.O. Box 1746
Chalmette, LA 70044
(504) 271-3434



SAGONA, BOURG, LEE, MATTHEW & CO., L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

Independent Auditor's Report

Honorable Lena R. Torres
St. Bernard Parish Clerk of Court
Chalmette, Louisiana

We have audited the accompanying financial statements of the governmental activities of the St. Bernard Parish Clerk of Court as of and for the year ended June 30, 2010, as listed in the table of contents. These basic financial statements are the responsibility of the management of the St. Bernard Parish Clerk of Court. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects the financial position of the St. Bernard Parish Clerk of Court as of June 30, 2010, and the results of its operations and its changes in fund balances for the year then ended in conformity with accounting principles generally accepted in the United States.

The Management's Discussion and Analysis and other required supplementary information, as listed in the foregoing table of contents are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2010, on our consideration of the St. Bernard Parish Clerk of Court's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral report of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Sagona, Bourg, Lee, Matthew & Co., L.L.C.

Certified Public Accountants
December 16, 2010

**St. Bernard Parish Clerk of Court
Chalmette, Louisiana**

Statement of Net Assets
June 30, 2010

	<u>General Fund</u>
Assets	
Cash and cash equivalents	\$ 1,248,003
Receivables	132,154
Prepaid expenses	30,905
Capital assets, net of accumulated depreciation	240,212
Total Assets	1,651,274
Liabilities	
Current liabilities:	
Accounts payable	35,286
Accrued accumulated compensated absences	37,208
Total Current Liabilities	72,494
Long-term liabilities:	
Net other post-employment benefit obligation	134,178
Total Liabilities	206,672
Net Assets	
Investment in capital assets	240,212
Unrestricted	1,204,390
Total Net Assets	1,444,602
	\$ 1,651,274

See notes to financial statements

**St. Bernard Parish Clerk of Court
Chalmette, Louisiana**

Statement of Activities
Year Ended June 30, 2010

	<u>General Fund</u>
Expenses	
General government:	
Personnel services and related benefits	\$ 2,384,208
Operating services	412,369
Travel and other charges	5,516
Depreciation	126,529
Permanent records	80,868
Intergovernmental	7,971
Total Expenses	3,017,461
Program Revenues	
Licenses and permits	3,425
Fees, charges, and commissions for services:	
Court costs, fees and charges	1,236,849
Fees for recording legal documents	551,771
Fees for copies of documents	92,414
Miscellaneous	110,367
Total Program Revenues	1,994,826
General Revenues	
Use of money and property – interest earnings	69,063
Grants	832,540
Total General Revenues	901,603
Net Assets	
Change in Net Assets	(121,032)
Beginning of year	1,565,634
End of year	\$ 1,444,602

See notes to financial statements

**St. Bernard Parish Clerk of Court
Chalmette, Louisiana**

Balance Sheet - Governmental Fund
June 30, 2010

	<u>General Fund</u>
Assets	
Cash and cash equivalents	\$ 1,248,003
Receivables	132,154
Prepaid expenses	30,905
Total Assets	\$ 1,411,062
Liabilities	
Accounts payable	\$ 35,286
Contracts payable	36,660
Total Liabilities	71,946
Fund Equity	
Fund balance – unreserved - undesignated	1,339,116
Total Liabilities and Fund Equity	\$ 1,411,062

See notes to financial statements

**St. Bernard Parish Clerk of Court
Chalmette, Louisiana**

Reconciliation of the Balance Sheet – Governmental Fund
To the Statement of Net Assets
June 30, 2010

Total fund balance – governmental fund (fund financial statements)	\$ 1,339,116
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Amounts reported for *governmental activities* in the statement of net assets
(government-wide financial statements) are different because:

Capital assets used in governmental activities are not financial resources
and therefore are not reported in the governmental funds:

Cost of assets capitalized	\$ 771,669	
Accumulated depreciation	<u>(531,487)</u>	240,212

Contracts payable are not accrued on the government-wide financial statements because they were not payable at June 30, 2010	36,660
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Accrued compensated absences are not recorded on fund financials because they are not due and payable at June 30, 2010	(37,208)
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Initial recognition required by GASB No. 45 of Net Other Post- Employment Benefit Obligation recorded on the government-wide financial statements	<u>(134,178)</u>
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Total net assets (government-wide financial statements)	\$ 1,444,602
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See notes to financial statements

**St. Bernard Parish Clerk of Court
Chalmette, Louisiana**

Statement of Revenues, Expenditures and
Changes in Fund Balance – Governmental Fund
Year Ended June 30, 2010

Revenues

Licenses and permits	\$ 3,425
Fees, charges, and commissions for services:	
Court costs, fees, and charges	1,261,726
Fees for recording legal documents	551,771
Fees for copies of documents	92,414
Miscellaneous	85,490
Use of money and property – interest earnings	69,063
Grants	832,540

Total Revenues	2,896,429
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Expenditures

General government:	
Personnel services and related benefits	2,243,290
Operating services	333,357
Travel and other charges	5,516
Capital outlay	14,165
Imaging and permanent records	80,868
Intergovernmental	7,971

Total Expenditures	2,685,167
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Excess revenues over expenditures	211,262
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Fund balance at beginning of year	1,127,854
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Fund balance at end of year	\$ 1,339,116
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See notes to financial statements

**St. Bernard Parish Clerk of Court
Chalmette, Louisiana**

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance –
Governmental Fund to the Statement of Activities
Year Ended June 30, 2010

Net change in fund balance (fund financial statements)	\$ 211,262
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Amounts reported for governmental activities in the statement of activities
(government-wide financial statements) are different because:

Governmental funds report capital outlays as expenditures in the
individual fund.

Governmental activities report depreciation expense to allocate the cost
of those capital assets over the estimated useful lives of the assets.

Asset purchases capitalized during the year	\$ 14,165	
Depreciation expense for the year	<u>(126,529)</u>	(112,364)

Amounts not accrued for contracts payable on government-wide financials due to difference in fund accounting & GAAP.	(79,012)
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Current year increase in compensated absences are not recorded on fund financials because they are not due and payable in the current year.	(6,740)
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Initial recognition required by GASB No. 45 of Net Other Post- Employment Benefit Obligation on the government-wide financial statements	<u>(134,178)</u>
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Changes in net assets (government-wide financial statements)	\$ (121,032)
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See notes to financial statements

**St. Bernard Parish Clerk of Court
Chalmette, Louisiana**

Statement of Fiduciary Net Assets – Agency Funds
June 30, 2010

	Advance Deposit Fund	Registry of Court Fund	Total
<hr/>			
Assets			
Cash and cash equivalents	\$ 2,108,785	\$ 16,298,440	\$ 18,407,225
<hr/>			
Liabilities			
Unsettled deposits	\$ 2,108,785	\$ 16,298,440	\$ 18,407,225

See notes to financial statements

**St. Bernard Parish Clerk of Court
Chalmette, Louisiana**

Statement of Changes in Fiduciary Net Assets – Agency Funds
Year Ended June 30, 2010

	Advance Deposit Fund	Registry of Court Fund	Total
Unsettled deposits, beginning of year	\$ 2,347,916	\$ 61,967,766	\$ 64,315,682
Additions:			
Deposits:			
Suits and successions	1,623,282	460,303	2,083,585
Interest earnings on investments	4,087	43,267	47,354
Total additions	1,627,369	503,570	2,130,939
Subtotal	3,975,285	62,471,336	66,446,621
Reductions:			
Clerk's costs (transferred to General Fund)	1,215,663		1,215,663
Settlements to litigants		46,118,636	46,118,636
Attorney, curator, and notary fees	52,113		52,113
Sheriff's fees	135,476		135,476
Judges' supplemental compensation fund	33,998		33,998
Judicial Clerk's fund	45,405		45,405
Other reductions	383,845	54,260	438,105
Total reductions	1,866,500	46,172,896	48,039,396
Unsettled deposits, end of year	\$ 2,108,785	\$ 16,298,440	\$ 18,407,225

See notes to financial statements

**St. Bernard Parish Clerk of Court
Chalmette, Louisiana**

Notes to Financial Statements
Year Ended June 30, 2010

INTRODUCTION

As provided by Article V, Section 28 of the Louisiana Constitution of 1974, the Clerk of Court serves as the ex-officio notary public, the recorder of conveyances, mortgages, and other acts, and has other duties and powers provided by law. The Clerk of Court is elected for a four-year term.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation - The accompanying financial statements of the St. Bernard Parish Clerk of Court have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB, Statement 34, Basic Financial Statements – and Management’s Discussion and Analysis - for State and Local Governments, issued in June 1999.

Reporting entity - As the governing authority of the parish, for reporting purposes, the St. Bernard Parish Council is the financial reporting entity for St. Bernard Parish. The financial reporting entity consists of (a) the primary government (council), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14, as amended by GASB Statement No. 39, established criteria for determining which component units should be considered part of the St. Bernard Parish Council for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. These criteria include:

- A. Appointing a voting majority of an organization's governing body, and
 - 1. The ability of the council to impose its will on that organization and/or
 - 2. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the council.
- B. Organizations for which the council does not appoint a voting majority but are fiscally dependent on the council.
- C. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

(Continued)

**St. Bernard Parish Clerk of Court
Chalmette, Louisiana**

Notes to Financial Statements
Year Ended June 30, 2010
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Reporting entity – Continued

Because the parish council pays certain operating expenditures of the Clerk's office as required by Louisiana law, the Clerk of Court was determined to be a component unit of the St. Bernard Parish Council, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the Clerk of Court and do not present information on the council, the general government services provided by that governmental unit, or the other government units that comprise the financial reporting entity.

Fund accounting - The Clerk of Court uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds of the clerk of court are classified into two categories: governmental (General Fund) and fiduciary (Agency Funds). These funds are described as follows:

General Fund

The General Fund, as provided by Louisiana Revised Statute 13:781, is the principal fund of the Clerk of Court and accounts for the operations of the Clerk's office. The various fees and charges due to the Clerk's office are accounted for in this fund. General operating expenditures are paid from this fund.

Agency Funds

The Advance Deposit and Registry of Court Agency Funds account for assets held as an agent for others. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Basis of accounting – Fund Financial Statements (FFS) - The amounts reflected in the Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Fund (FFS), are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of operations.

(Continued)

**St. Bernard Parish Clerk of Court
Chalmette, Louisiana**

Notes to Financial Statements
Year Ended June 30, 2010
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Basis of accounting - Continued

The amounts reflected in these statements (FFS), use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Recordings, cancellations, court attendance, criminal cost, etc., are recorded in the year in which they are earned. Interest income on investments is recorded when the investments have matured and the income is available. Substantially all other revenues are recorded when received.

Expenditures

Expenditures are generally recorded under the modified accrual basis of accounting when the related fund liability is incurred.

Basis of accounting - Government-Wide Financial Statements (GWFS) - The Statement of Net Assets and the Statement of Activities (GWFS) display information about the St. Bernard Parish Clerk of Court as a whole. These statements include all the financial activities of the St. Bernard Parish Clerk of Court. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

Program Revenues

Program revenues included in the Statement of Activities are derived directly from users as a fee for services; program revenues reduce the cost of the function to be financed from general revenues.

Reconciliations

On pages 15 and 17 are the reconciliations of the items reflected in the fund financial statements to the government-wide financial statements.

(Continued)

**St. Bernard Parish Clerk of Court
Chalmette, Louisiana**

Notes to Financial Statements
Year Ended June 30, 2010
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Budget practices - The proposed budget for the 2010 fiscal year was made available for public inspection at the Clerk's office on June 11, 2009. The proposed budget, prepared on the modified accrual basis of accounting, was published in the official journal 7 days prior to the public hearing. The budget hearing was held at the Clerk's office on June 12, 2009. The budget is legally adopted and amended, as necessary, by the Clerk. The budget for the 2010 fiscal year was initially amended February 28, 2010, adopted and published in the official journal on April 9, 2010. An additional amended budget was prepared as of April 30, 2010 and published in the official journal June 4, 2010, due to the receipt of significant grant funds awarded by FEMA for reimbursement of expenses incurred by the Clerk's office in remediating damages caused by past natural disasters. All appropriations lapse at year end.

Formal budget integration (within the accounting records) is employed as a management control device. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

Cash and cash equivalents - Cash includes amounts in demand deposits, interest bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Clerk of Court may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Uncollectible accounts receivable - The Clerk of Court uses the allowance method to account for uncollectible accounts receivable. The allowance for uncollectible accounts is based on prior years experience and management's analysis of possible bad debts. Bad debt recoveries are charged against the allowance account as realized. The Clerk of Court considers all accounts receivable at June 30, 2010 to be fully collectible. Accordingly, no allowance for uncollectible accounts is required.

Capital assets - Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Clerk maintains a threshold level of \$500 or more for capitalizing capital assets.

Capital assets are recorded in the Statement of Net Assets and Statement of Activities. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

(Continued)

**St. Bernard Parish Clerk of Court
Chalmette, Louisiana**

Notes to Financial Statements
Year Ended June 30, 2010
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Capital assets -- (Continued)

Description	Estimated Lives
Office Equipment	5 years
Furniture & Fixtures	5 years
Automobiles	5 years
Leasehold Improvements	20 years

Compensated absences - Employees of the Clerk of Court's office earn two weeks vacation leave and up to four weeks sick leave each year. The leave time accrues on a calendar year basis and must be used in the calendar year earned and is not payable upon separation from service. The accrued accumulated leave which had been unused by employees at June 30, 2010 has been included in the government - wide financial statements.

Fund equity - Reserves represent those portions of fund equity not appropriable for expenditure or are legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.

Use of estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. CONTINUED UNCERTAINTY OF FUTURE MARKET CONDITIONS

On August 29, 2005, the region which the Clerk of Court serves was impacted by Hurricane Katrina and the area, inclusive of the Clerk's Office, experienced significant destruction as a result of wide spread flooding. Management estimated the adverse impact of this catastrophe upon the Clerk of Court's 2006 financial statements, including disaster response costs and casualty losses, and the material amounts of those effects were reported in the 2006 financial statements. The long-term viability of the devastated areas continues to depend on the extent of rebuilding and repopulation of these areas. At this time, the extent of the rebuilding and repopulation of the affected areas have not yet been determined. Therefore, the outlook for the affected areas' economic future remains at this time uncertain, as is the manner in which that uncertainty could affect the Clerk of Court's future financial condition.

(Continued)

**St. Bernard Parish Clerk of Court
Chalmette, Louisiana**

Notes to Financial Statements
Year Ended June 30, 2010

(Continued)

3. CASH AND CASH EQUIVALENTS

At June 30, 2010, the Clerk of Court has cash and cash equivalents (book balances) totaling \$19,655,228 as follows:

	Governmental Fund	Agency Fund	Total
Checking accounts	\$ 1,248,003	\$ 1,696,429	\$ 2,944,432
Time deposits	-	425,000	425,000
Savings passbooks	-	16,285,796	16,285,796
Total deposits	\$ 1,248,003	\$ 18,407,225	\$ 19,655,228

The deposits are stated at cost, which approximates market. Under state law, the deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At June 30, 2010, the clerk has \$19,896,451 in deposits (collected bank balances). These deposits are secured from risk by \$3,290,866 of federal deposit insurance and pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3) with a par value of \$20,801,093 and a market value of \$22,097,007 at June 30, 2010. The Federal Deposit Insurance Corporation currently provides deposit insurance coverage of \$250,000 per account owner.

Even though the pledged securities are not considered collateral under the provisions of GASB Statement 3 (Category 3), Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Clerk of Court that the fiscal agent has failed to pay deposited funds upon demand.

(Continued)

**St. Bernard Parish Clerk of Court
Chalmette, Louisiana**

Notes to Financial Statements
Year Ended June 30, 2010
(Continued)

4. RECEIVABLES

The receivables of \$132,154 at June 30, 2010, are as follows:

	Governmental Fund- General Fund
Regular	\$ 28,754
Court Attendance	1,620
Criminal Court Costs	2,334
Grants (expended not reimbursed at June 30, 2010)	99,283
Other	163
	<u>\$ 132,154</u>

Receivable balances past due ninety days or more at June 30, 2010 amounted to \$9,919.

5. CAPITAL ASSETS

The St. Bernard Parish Clerk of Court adopted a capitalization policy in accordance with its prior implementation of GASB 34. This adoption required an adjustment be made to adjust for assets previously carried at historical cost under \$500.

A schedule of changes in capital assets follows:

Governmental Activities	Balance 6/30/09	Additions	Deletions	Balance 6/30/10
Equipment & Furniture	\$ 734,745	\$ 14,165	\$ -	\$ 748,910
Building Improvements	22,789	-	-	22,789
Totals	\$ 757,534	\$ 14,165	\$ -	\$ 771,699

(Continued)

**St. Bernard Parish Clerk of Court
Chalmette, Louisiana**

Notes to Financial Statements
Year Ended June 30, 2010
(Continued)

5. CAPITAL ASSETS - (Continued)

Less accumulated depreciation:

Governmental Activities	Balance 6/30/09	Additions	Deletions	Balance 6/30/10
Equipment & Furniture	\$ 398,728	\$ 125,437	\$ -	\$ 524,165
Building Improvements	6,230	1,092	-	7,322
Totals	\$ 404,958	\$ 126,529	\$ -	\$ 531,487
Capital assets, net	\$ 352,576			\$ 240,212

The depreciation expense for June 30, 2010 amounted to \$126,529.

6. GRANT REVENUES

During the year ended June 30, 2010 the Clerk's office reported revenues from grants, which were received or receivable at June 30, 2010 as follows:

Received	\$ 735,910
Receivable	96,630
Total Grant Revenue	\$ 832,540

Grant revenues recorded in the year ended June 30, 2010 were for claims arising in connection with disaster recovery expenses resulting from past hurricanes dating back to 2005 for which the expenses were incurred at the times of the disasters and initially funded by the Clerk's office. Upon receipt of these funds, the Clerk's office made a determination of which years these reimbursements resulted in annual expenditures of federal funds exceeded the threshold amount to require a single audit of those federal funds expended, and the Clerk's office has contracted for the single audits of the applicable years.

(Continued)

**St. Bernard Parish Clerk of Court
Chalmette, Louisiana**

Notes to Financial Statements
Year Ended June 30, 2010
(Continued)

7. PENSION PLAN

Plan Description. Substantially all employees of the St. Bernard Parish Clerk of Court are members of the Louisiana Clerks of Court Retirement and Relief Fund (System), a multiple-employer (cost-sharing), public employee retirement system (PERS), controlled and administered by a separate board of trustees. The system provides retirement, survivor, disability and terminated benefits to plan members and beneficiaries. The System provides retirement benefits to members through a defined benefit pension plan.

Funding Policy. All regular employees earning at least \$500 per month who are under the age of 60 at the time of original employment are required to participate in the System. Employees who retire at or after age 55 with at least 12 years of credited service are entitled to an annual retirement benefit, payable monthly for life, equal to 3 percent of their final-average salary for each year of credited service, not to exceed 100 percent of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Final average salary for employees commencing employment on or after July 1, 2006 is the employee's average salary over 60 consecutive months. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 and receive the full benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by state statute. Contributions to the System include one-fourth of one percent (one-half of one percent for Orleans Parish) of the taxes shown to be collectible by the tax rolls of each parish. State statute requires covered employees to contribute a percentage of their salaries to the System. As provided by Louisiana Revised Statute 11:103, the employer's contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year.

Annual Pension Cost. For 2010, the Clerk's annual pension cost of \$215,237 agreed with the Clerk's required contribution of \$215,237. The required contribution was determined as part of the June 30, 2009 actuarial valuation. The actuarial assumptions included an 8% investment rate of return (net of administrative expenses) and a projected salary increase of 6% per year.

(Continued)

**St. Bernard Parish Clerk of Court
Chalmette, Louisiana**

Notes to Financial Statements
Year Ended June 30, 2010
(Continued)

7. PENSION PLAN - (Continued)

Three year trend information for the St. Bernard Parish Clerk of Court

Fiscal Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
06/30/2008	\$252,231	63%	\$ 92,522
06/30/2009	\$292,441	59%	\$121,024
06/30/2010	\$393,264	85%	\$ 57,640

Required supplemental information – Schedule of Funding Program of PERS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)- Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage Of Covered Payroll (b-a)/(c)
06/30/2007	\$325,278,452	\$409,351,418	\$84,072,966	79%	\$78,384,249	107%
06/30/2008	\$356,502,864	\$441,718,760	\$85,215,896	81%	\$83,637,009	102%
06/30/2009	\$338,755,452	\$424,940,525	\$86,185,073	80%	\$85,840,893	100%

The following provides certain additional disclosures for the Clerk and the retirement system:

<u>St. Bernard Parish Clerk of Court</u>	<u>Year Ended June 30, 2010</u>
Total current-year payroll	\$ 1,507,723
Total current-year covered payroll	1,459,236
Total current-year covered payroll – (excluding DROP wages)	1,459,236
Actuarially required contribution: Dollar amount	450,904
Percentage of total actuarially required contribution of all participating employers and employees	1.95%

(Continued)

**St. Bernard Parish Clerk of Court
Chalmette, Louisiana**

Notes to Financial Statements
Year Ended June 30, 2010
(Continued)

7. PENSION PLAN - (Continued)

	Required by Statute		Actual Contribution	
Contributions:				
Employees	8.25%	\$ 120,387	8.25%	\$ 120,387
Employer	14.75%	215,237	14.75%	215,237
	23.00%	\$ 335,624	23.00%	\$ 335,624

Actuarial information about the System for its most recent year available, the year ended June 30, 2009, is presented below.

Louisiana Clerks of Court Retirement and Relief Fund

Estimated payroll for current year	\$ 88,808,134
Actuarially required contributions:	
Actuarially required contribution for dedicated taxes:	
Dollar amount	\$ 7,985,608
Percent of estimated payroll	8.99 %
Actuarially required contribution for employers and employees:	
Dollar amount	\$ 15,145,456
Percent of estimated payroll	17.05 %
Total actuarially required contribution:	
Dollar amount	\$ 23,131,064
Percent of estimated payroll	26.05 %
Net assets, fair value	\$ 271,624,094
Pension benefit obligation	478,561,294
Unfunded benefit obligation	\$ 206,937,200

(Continued)

**St. Bernard Parish Clerk of Court
Chalmette, Louisiana**

Notes to Financial Statements
Year Ended June 30, 2010
(Continued)

7. PENSION PLAN - (Continued)

The pension benefit obligation is a standardized measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rated benefits, estimated to be payable in the future as a result of employee service to date. The measure, which is the actuarial present value of credited projected benefits, is intended to help users assess the System's funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among PERS and employers. The System does not make separate measurements of assets and pension benefit obligations for individual employers.

Historical trend information showing the System's progress in accumulating sufficient assets to pay benefits when due is presented in the System's comprehensive annual financial report. That report may be obtained by writing to the Louisiana Clerks of Court Retirement and Relief Fund, 11745 Bricksome Avenue, Suite B-1, Baton Rouge, Louisiana 70816, or by calling (225) 293-1162.

The St. Bernard Parish Clerk of Court does not guarantee the benefits granted by the System.

8. OTHER POST-EMPLOYMENT BENEFITS

Plan Description. The Clerk's defined benefit postemployment health care plan ("the Retiree Health Plan") provides medical, dental and life insurance benefits to eligible retired employees and their beneficiaries. The Retiree Health Plan is affiliated with the Louisiana Clerk of Court Insurance Trust ("LCCIT"), an agent multiple-employer postemployment healthcare plan administered by the Louisiana Clerks of Court Association.

Funding Policy. The contribution requirements of plan members and the Clerk are established and may be amended by the LCCIT board of trustees. The Clerk contributes 50% of the cost of current-year premiums for eligible retired plan members and 50% of the cost for retired plan members' spouses and dependent children. For fiscal 2010, the Clerk contributed \$18,538 to the plan and the retirees contributed \$18,504.

Annual OPEB and Net OPEB Obligation. For 2010, the Clerk's annual other postemployment benefit ("OPEB") cost (expense) is calculated based on the annual required contribution of the employer ("ARC"), an amount actuarially determined in accordance with parameters of Governmental Accounting Standards Board Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, the ARC represents the level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

(Continued)

**St. Bernard Parish Clerk of Court
Chalmette, Louisiana**

Notes to Financial Statements
Year Ended June 30, 2010
(Continued)

8. OTHER POST-EMPLOYMENT BENEFITS - (Continued)

The following table shows the components of the Clerk's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Clerk's net OPEB obligation to the Retiree Health Plan:

Annual Required Contribution	\$152,716
Interest on Net OPEB Obligation	-
Adjustment to Annual Required Contribution	-
Annual OPEB Cost (Expense)	152,716
Contributions Made	<u>(18,538)</u>
Increase in Net OPEB Obligation	134,178
Net OPEB Obligation - beginning of year	-
Net OPEB Obligation - end of year	<u>\$134,178</u>

The Clerk's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal Year 2010 is as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contribution</u>	<u>Net OPEB Obligation</u>
June 30, 2010	<u>\$152,716</u>	<u>12.1%</u>	<u>\$134,178</u>

Funded Status and Funding Progress. As of June 30, 2009, the Actuarial Accrued Liability ("ALL") for benefits was \$1,792,560, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan was \$1,300,827, and the ratio of the unfunded ALL to the covered payroll was 137.8%.

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funding status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information presented at the conclusion of this note, presents multiyear trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for the benefits.

Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point.

(Continued)

**St. Bernard Parish Clerk of Court
Chalmette, Louisiana**

Notes to Financial Statements
Year Ended June 30, 2010
(Continued)

8. OTHER POST-EMPLOYMENT BENEFITS - (Continued)

The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the June 30, 2009 actuarial valuations, the entry age actuarial cost method was used. Based on the Clerk's short-term investment portfolio, a discount rate of 4.0% was used. In addition, the actuarial assumptions included an annual healthcare cost trend rate of 10% initially, reduced by decrements to an ultimate rate of 5.5% after 10 years. The Clerk's actuarial liability is being amortized as a level percentage of projected payroll on an open basis over 30 years.

Required Supplementary Information - Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded ALL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a) / c)
June 30, 2009	\$ -	\$1,792,560	\$1,792,560	0.0%	\$1,300,827	137.8%

The cost of such premiums borne by the Clerk of Court for both active and retired participants amounted to \$328,087 for 2010. These benefits are provided in accordance with the provisions of the Louisiana Clerks of Court Retirement and Relief System in which the St. Bernard Parish Clerk of Court's office participates as described in Note 7.

9. EXCESS FUND BALANCE

Louisiana Revised Statute 13:785 requires that every four years (at the close of the term of office) the Clerk of Court must pay the parish treasurer the portion of the General Fund balance that exceeds one-half of the revenues of the last year of the Clerk's term of office. At June 30, 2010, there was no amount due the parish treasurer.

10. LITIGATION AND CLAIMS

There were no litigation or claims outstanding at June 30, 2010, in which the Clerk of Court's office has any exposure of significant loss.

(Continued)

**St. Bernard Parish Clerk of Court
Chalmette, Louisiana**

Notes to Financial Statements
Year Ended June 30, 2010
(Continued)

11. EXPENDITURES OF THE CLERK OF COURT PAID BY THE PARISH COUNCIL

Certain operating expenditures of the Clerk's office are paid by the parish council and are not included in the accompanying financial statements. These expenditures are summarized as follows:

Operating services less court attendance	\$ 6,990
Total	\$ 6,990

12. COMMITMENTS

The Clerk of Court entered into a contract with a provider company for various e-commerce services. At June 30, 2010 the amounts of this contracts is as follows:

	Balance June 30, 2010	
Contract Services		
E-commerce software services	\$ 36,660	(1)
	\$ 36,660	

The terms of the above commitment are as follows:

- (1) \$36,660 is payable in thirty remaining monthly installments of \$1,222.

In addition to these contractual commitments, there are currently nine agreements with the same company to provide software assurance, hardware maintenance and related services with monthly payments in amounts ranging from \$64 to \$1,939 per month that extend generally until February 28, 2012 as follows:

Resolution software license/support	\$1,939
Resolution hardware maintenance	813
Verdict software license support - Criminal	662
Verdict software license support - Civil / Jury	1,104
Web hosting service	257
E-backup service	1,000
Auto redaction	100
Offsite storage fee	64
E-backup from image import	303

ST. BERNARD PARISH CLERK OF COURT
CHALMETTE, LOUISIANA

REQUIRED SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2010

**St. Bernard Parish Clerk of Court
Chalmette, Louisiana**

Budgetary Comparison Schedule – General Fund
Year Ended June 30, 2010

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues				
Licenses and permits	\$ 3,000	\$ 3,200	\$ 3,425	225
Fees, charges, and commissions for services:				
Court costs, fees, and charges	1,145,000	1,294,000	1,261,726	(32,274)
Fees for recording legal documents	614,500	548,500	551,771	3,271
Fees for copies of documents	100,000	85,000	92,414	7,414
Miscellaneous	20,000	24,000	85,490	61,490
Use of money and property – interest earnings	30,000	68,000	69,063	1,063
Grants	-	628,000	832,540	204,540
Total Revenues	1,912,500	2,650,700	2,896,429	245,729
Expenditures				
General government:				
Personnel services and related				
Benefits	2,267,300	2,234,000	2,243,290	(9,290)
Operating services	312,500	349,000	333,357	15,643
Travel and other charges	4,000	4,500	5,516	(1,016)
Capital outlay	30,000	6,000	14,165	(8,165)
Imaging and permanent records	12,000	70,000	80,868	(10,868)
Intergovernmental	-	-	7,971	(7,971)
Total Expenditures	2,625,800	2,663,500	2,685,167	(21,667)
Excess revenues (expenditures)	(713,300)	(12,800)	211,262	224,062
Fund balance at beginning of year	1,091,100	1,127,854	1,127,854	-
Fund balance at end of year	\$ 377,800	\$ 1,115,054	\$ 1,339,116	224,062

See notes to financial statements

ST. BERNARD PARISH CLERK OF COURT
CHALMETTE, LOUISIANA

REPORTS REQUIRED BY GAO

YEAR ENDED JUNE 30, 2010

**St. Bernard Parish Clerk of Court
Chalmette, Louisiana**

Schedule of Findings and Questioned Costs
Year Ended June 30, 2010

We have audited the basic financial statements of the St. Bernard Parish Clerk of Court as of and for the year ended June 30, 2010 and have issued our report thereon dated December 16, 2010. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our audit of the financial statements as of June 30, 2010 resulted in an unqualified opinion.

Section I Summary of Auditor's Reports

- a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control:

Material Weaknesses ____ Yes X No Significant Deficiencies ____ Yes X No

Compliance:

Compliance Issues Material to Financial Statements ____ Yes X No

- b. Federal Awards – Reports not required; less than \$500,000 of federal funds expended during the year.
- c. Identification of Major Programs – None

Section II Financial Statement Findings – No matters were reported

Section III Federal Award Findings and Questioned Costs – None

ST. BERNARD PARISH CLERK OF COURT
CHALMETTE, LOUISIANA

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON
INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON
AN AUDIT OF BASIC FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

YEAR ENDED JUNE 30, 2010



SAGONA, BOURG, LEE, MATTHEW & CO., L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

**Independent Auditor's Report on Compliance and on
Internal Control over Financial Reporting Based on
an Audit of Basic Financial Statements
Performed in Accordance with *Government Auditing Standards***

Honorable Lena R. Torres
St. Bernard Parish Clerk of Court
Chalmette, Louisiana

We have audited the basic financial statements of the St. Bernard Parish Clerk of Court (the Clerk) as of and for the year ended June 30, 2010, and have issued our report thereon dated December 16, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Clerk's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements of the governmental activities, the general fund and the agency funds, in accordance with auditing standards generally accepted in the United States of America, we considered the Clerk's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Clerk's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Clerk's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

This report is intended for the information and use of management, others within the entity, and the legislative auditor and should not be used by anyone other than these specified parties.

Sagana, Bourg, Lee, Matthew & Co., L.L.C.

Certified Public Accountants

December 16, 2010